

Message Text

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PAGE 01 BRASIL 05171 131200Z

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ACTION ARA-02

INFO OCT-01 ISO-00 INR-01 PA-01 RSC-01 DRC-01 /007 W

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P R 122140Z JUL 74

FM AMEMBASSY BRASILIA

TO USINFO WASHDC PRIORITY

INFO SECSTATE WASHDC 4444

USIA/VOA MIAMI

UNCLAS BRASILIA 5171

USIAC

ATTN: IOP/M, IPS, IBS, RIM, ILA

E.O.11652: N/A

TAGS: PFOR, ETRD, BR

SUBJECT: MEDIA REACTION REPORT -- PART TWO

1. PRESIDENT NIXON'S MESSAGE ON THE INTERNATIONAL COFFEE AGREEMENT (ICA): UNSIGNED ECONOMIC COLUMN IN CONSERVATIVE O GLOBO (RIO) SAYS: " PRESIDENT NIXON'S ADMONISHMENT TO CORREE-PRODUCING NATIONS SOUNDS LIKE THE OLD DIPLOMACY OF PRESSURE -- AN APPROACH WHICH NO LONGER AGREES WITH THE CURRENT ECONOMIC AND POLITICAL REALITY, NOR WITH THE AMERICAN POLICY OF DETENTE.... ... COFFEE IS A PRODUCT WHICH DOES NOT AFFORD OPPORTUNITY FOR ITS USE IN A POLICY OF RETALIATION AND BLOCKADE SUCH AS THAT CARRIED OUT BY PRODUCERS OF PETROLEUM. THE JOINT ACTIONS OF SOME LEADING COFFEE PRODUCERS COST THEM A HIGH PRICE. THEY ACTED ONLY TO PROTECT ONE OF THEIR PRINCIPAL EXPORTING PRODUCTS FROM GIANT ENTERPRISES' MANEUVERS TO LOWER PRICES. WITHOUT THE ICA TO CONTROL THE MARKET, THIS IS NECESSARY ." (JULY 12). SAME PAPER CARRIES REPORT SAYING THAT "THE U.S. PRESIDENT'S THREATS TO COFFEE-RPRODUCING NATIONS CAUSED SOME CONCERN AMONG OBSERVERS LINKED TO GOB CIRCLES. THESE OBSERVERS BELIEVE THAT NIXON'S STATEMENT ACCUSING PRODUCERS FOR BEING RESPONSIBLE FOR THE ICA FAILURE DENOTES, ABOVE ALL, STRONG PRESSURE ON SEEKING FAVORABLE POSITION IN DISCUSSIONS TO BE HELD IN LONDON IN LATE

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PAGE 02 BRASIL 05171 131200Z

SEPTEMBER FOR RENEGOTIATION OF THE ICA. THEY NOTED THAT THE

PRODUCERS, CONTRARY TO NIXON'S STATEMENT DID ALL THEY COULD TO OBTAIN FAIRER PRICES FOR THEIR MAIN EXPORT PRODUCT UNDER ICA REGULATIONS. IN VIEW OF THE IMPOSSIBILITY OF ACHIEVING THEIR GOAL, THEY MADE THEIR OWN ALLIANCE WHICH RESPECTS THE ICA NORMS...." (JULY 12).

2. U.S. TRADE BILL: INFUENTIAL O ESTADO DE SAO PAULO EDITORIAL SAYS: "...THE NEW U.S. TRADE BILL APPROVAL WAS BEING PREDICTED FOR NEXT SEPTEMBER. IN HIS EXCLUSIVE INTERVIEW PUBLISHED IN THIS PAPER, HOWEVER, U.S. AMBASSADOR JOHN HUGH CRIMMINS SUGGESTED THAT, AS A RESULT OF HIS COUNTRY'S DOMESTIC SITUATION, SUCH AN APPROVAL MIGHT BE DELAYED EVEN MORE.... -6 \$3)-6 8, :958,& 5#3 ?8)) -- WHICH, IN SPITE OF EVERYTHING, UNDENIABLY HAS POSITIVE ASPECTS -- WILL AGGRAVATE THE DIFFICULTIES FACED BY DEVELOPING NATIONS AT THE EXACT MOMENT WHEN THEY, MORE THAN RICH COUNTRIES, ARE SUFFERING THE EFFECTS OF THE PETROLEUM CRISIS. THIS PROSPECT CREATES A NEGATIVE CLIMATE OF UNCERTAINTY WHICH PARALYZES A GREAT NUMBER OF PROJECTS FOR EXPORT OF MANUFACTURED PRODUCTS. THE WASHINGTON GOVERNMENT HOLDS AN INTERNATIONAL RESPONSIBILITY WHICH IT CANNOT IGNORE. WE BELIEVE THAT THE PRIORITY GIVEN TO DOMESTIC PROBLEMS -- SUCH AS THE WATERGATE AFFAIR -- SHOULD NOT PREVENT THE U.S. CONGRESS FROM URGENTLY STUDYING MATTERS WHICH HAVE SERIOUS INTERNATIONAL REPERCUSSIONS." (JULY 12).

3. SUGAR ACT: LIBERAL JORNAL DE BRASILIA FRONT-PAGE REPORT WITH HEADLINE "THE AMERICANS DISCUSS OUR SUGAR'S FUTURE" SAYS: "A MATTER OF GREAT IMPORTANCE FOR BRAZIL IS BEING DISCUSSED AT LENGTH, AND REAL BATTLE HAS BEGUN BETWEEN THE CONFLICTING PARTIES. THE SUBJECT IS SUGAR, AND THE STAGE IS WASHINGTON. THE QUOTA SYSTEM FOR AMERICAN SUGAR IMPORTS FALLS DUE ON DECEMBER 31. NINETEEN COUNTRIES -- BRAZIL AMONG THEM -- FROM LATAM AND THE ANTILLES, ... IN ACCORDANCE WITH THEIR RESPECTIVE QUOTAS, SUPPLY THE U.S. WITH SUGAR. NOW TWO AMERICAN GROUPS DISAGREE: ONE WANTS TO EXTEND THE PERIOD FOR THE QUOTA SYSTEM. WHILE THE OTHER DOES NOT AGREE WITH SUCH AN EXTENSION. ... SUGAR CIRCLES ADMITTED YESTERDAY THE DARK PROSPECT THAT THE PRODUCT'S INDUSTRY IN MANY LATAM COUNTRIES COULD COLLAPSE IF THE SUGAR ECONOMY FACES OVERPRODUCTION. ..." (JULY 12)

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PAGE 03 BRASIL 05171 131200Z

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COFFEE, SUGAR, PRESS COMMENTS, IMPORT QUOTAS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BRASIL05171
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740188-0274
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740755/aaaabuta.tel
Line Count: 107
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: martinjw
Review Comment: n/a
Review Content Flags:
Review Date: 03 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 OCT 2002 by ThomasVJ>; APPROVED <16 JAN 2003 by martinjw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MEDIA REACTION REPORT -- PART TWO
TAGS: PFOR, ETRD, BR, US, ICA
To: USIA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005